

[REDACTED]

Kevin J. O'Toole

[REDACTED]

July 2, 2018

PERSONAL & CONFIDENTIAL

VIA HAND DELIVERY

Steve Sweeney, Senate President

[REDACTED]

Loretta Weinberg, Senate Majority Leader

[REDACTED]

Dear Senate President, Sweeney and Senate Majority Leader, Weinberg:

Consistent with my pledge to you both when I was interviewed for the position of Commissioner of the Port Authority, I provide you with this brief written summary of activities. Some of the below will simply confirm our past discussions and some will clearly cover new topics. I ask that you keep this correspondence confidential.

As I have stated on many occasions, this public service to the Port is one of the greatest joys of my long public life. To work with Rick Cotton and the top staff is both rewarding and remarkable.

Let me preface my comments with the statement that I am not requesting any action at this time but merely update you on some troublesome trends that are now occurring at the Port as it relates to the relationship and presumed oversight and control by Governor Murphy and or his senior staff.

The Port is extraordinarily respectful of both governors (New Jersey and New York) and we strive to work collaboratively with both. However, we operate under a strict understanding that the Port will never be at the mercy or direct control of any other entity or personality. Simply put, the all-important transportation purpose and mission statement of the Port cannot and will not be sacrificed at the altar of politics.

Following the election of now Governor Murphy, the Port staff provided the Governor's transition team extensive briefings and background related to the Port and the finances and

capital projects. Among the many exchanges, the Port provided information on personnel and vacancies and many top projects and policies of the agency.

At some immediate point after the general election, Matt Platkin, designated as Chief Counsel to the Governor, requested that the Port hire two of the top campaign workers from the Murphy for Governor campaign. The Port interviewed the two on an expedited basis and hired them. I am happy to report that both appear to be contributing staffers and add value to the Port. However, soon after these hires, the troubling trend began as the front office soon wanted to be in control or 'in charge' of EVERY senior hire at the Port. We have kept a list of each of these inquiries and requests. We will be more than happy to share a more comprehensive list beyond the couple listed below. Without going into all the gory details, the senior staff for Governor Murphy involved themselves (some might say inappropriately) in the following areas of policy and personnel —

--the retirement or resignation of the former Superintendent of Police and subsequent hiring of the new Superintendent and his deputies. The former superintendent indicated that Governor Murphy's chief of staff gave him explicit orders contrary to those given to the Superintendent's superior. The General Counsel and Ethics and Compliance Officer were kept apprised of this interference.

--The hiring of several senior positions including Deputy Director of Human Resources, Director of Real Estate, General Manager of Newark Airport, Superintendent of Police. While we encourage the receiving of any names of qualified individuals, the Port will not simply cede control of these important security centric positions to anyone outside the Port. The Governor's Chief Counsel threatened senior staff at the Port with termination if his orders on hiring were not complied with. This threat rattled the senior staffer and he reported it to Port General Counsel and others. The increasingly hostile dialogue between Governor Murphy's senior staff and Port staff is unnerving, unprofessional and detrimental to Port operations.

--the postponing of the AES program, which has been set for approval for months. The Chief Counsel stated rather bluntly that he would 'approve' AES if Governor Murphy would be allowed to hand select the Port's Deputy Executive Director -- a position that was abandoned several years ago. The Chief had this discussion and bargain with several individuals.

--the hiring of a COO. Counsel Platkin instructed Port staff to put on hold any interviewing or hiring of a COO.

These are just a few examples of what I see as a troubling trend of an overreach by senior staff of the Murphy team. I'm not sure that senior staff understands just how offensive and arrogant their behavior is. I had a brief moment to interact with the Governor at one point at one of our monthly public Port meetings and he texted me after the meeting thanking me for the

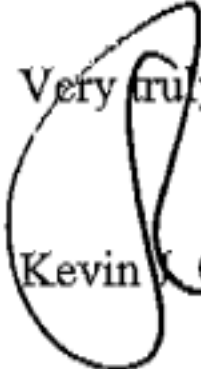
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minimum wage victory and he said that he would be in contact with me once things settled down. I really don't know if the Governor is aware of or a part of this awkward and uncomfortable behavior.

Let me be clear, we are committed to working with both Governors and have collaborated on many issues including, Minimum Wage, additional PATH cars, Dry-dock, Gateway Sponsorship, Portal Bridge, Union Contracts, Capital Projects and a number of other pressing and important issues.

At some point during the Summer, I would appreciate a sit down with you to further discuss these issues.

I thank you for your time.

Very truly yours,

Kevin J. O'Toole

KJO:dmf